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ORDINANCE NO. 4426

AN ORDINANCE AUTHORIZING THE LEVY OF A ONE-HALF PERCENT (1/2%) CITYWIDE RETAILERS' SALES TAX AND RELATED MATTERS.

WHEREAS, K.S.A. 12-187 *et seq.*, as amended (the "Act"), authorizes the governing body (the "Governing Body") of City of Liberal, Kansas (the "City") to submit to the electors of the City the question of imposing Citywide retailers' sales taxes; and

WHEREAS, pursuant to the Act, on November 2, 2010, the electors of the City approved a proposition to authorize the levy of a special purpose one percent Citywide retailers' sales tax (the "Existing Sales Tax"), which began collection on October 1, 2011, and will terminate on September 30, 2021; and

WHEREAS, the Existing Sales Tax constitutes a sales tax imposed for special purposes, as said term is described in K.S.A. 12-189, as amended; and

WHEREAS, the Board of Education (the "Board of Education") of Unified School District No. 480, Seward County, Kansas (Liberal) (the "District") has heretofore determined that it is desirable and necessary to make certain improvements to the educational facilities of the District and to finance the same by the issuance of general obligation bonds of the District; and

WHEREAS, the Board of Education, in order to provide for assistance in the repayment of the debt service on such general obligation bonds, has requested that the City authorize the imposition of a retailers' sales tax within the City; and

WHEREAS, the Governing Body has heretofore made a preliminary determination that such financial assistance would provide a benefit to the residents of the City and foster economic development within the City and its environs; and

WHEREAS, the Board of Education has adopted Resolution No. 1-20-14-1 calling and providing for a special question election to be held on April 8, 2014, for the purpose of submitting to the qualified electors of the District the question of issuing general obligation bonds of the District in an amount not to exceed \$127,865,000 (the "District Bonds") to pay the costs to: (a) construct, furnish, equip, demolish, repurpose, renovate, and make additions to existing District facilities, including: (1) repurpose the existing Cottonwood Intermediate School to a new K-5 Elementary School, (2) repurpose the existing Sunflower Intermediate School to a new K-5 Elementary School, (3) repurpose the existing High School and West Middle School to a 9-12 High School, (4) demolish the existing MacArthur Elementary School and construct, furnish and equip a new K-5 Elementary School at the site; (b) acquire sites for and construct, furnish, and equip new District facilities, including: (1) a new north K-5 Elementary School and a new south K-5 Elementary School, and (2) a new north Middle School and a new south Middle School; (c) construct, furnish and equip other necessary improvements in the District; and (d) make all other necessary improvements appurtenant thereto (collectively the "District Projects"); and

WHEREAS, the issuance of the District Bonds is subject to the imposition of a one-half percent (1/2%) Citywide retailers' sales tax to be approved by the electors of the City at an election to be held on April 8, 2014, and the execution of a cooperation agreement between the District and the City regarding the application of revenues derived from such Citywide retailers' sales tax; and

WHEREAS, the Governing Body hereby deems it advisable to assist in the repayment of the District Bonds and to provide for the payment of certain City infrastructure improvements in order to facilitate the use of the District Projects from the proceeds of a retailers' sales tax to be imposed within the limits of the City and thus, indirectly relieving residents of the City from a portion of the ad valorem property taxes which may be necessary by the District to repay the District Bonds; and

WHEREAS, pursuant to the Act, the Governing Body adopted Resolution No. 2188 on January 28, 2014, which authorized and provided for the calling of an election on the imposition of a one-half percent (1/2%) Citywide retailers' sales tax (the "Educational Sales Tax") for the purpose of assisting the District in the repayment of the principal of and interest on the District Bonds and for the purpose of providing for the payment of certain City infrastructure improvements to facilitate the use of the District Projects, the collection of the Educational Sales Tax shall commence on July 1, 2014, or as soon thereafter as permitted by law, and shall expire upon the earlier of twenty-five (25) years after its commencement or when all costs associated with the District Projects, including the repayment of the Bonds issued to finance or refinance such costs, shall have been paid; and

WHEREAS, the question of imposing such Educational Sales Tax was submitted to the electors of the City at a special question election on April 8, 2014, and at the election a majority of the qualified electors of the City voting on that proposition voted in favor thereof; and

WHEREAS, the question of the issuance of the District Bonds was submitted to the electors of the District at a special question election on April 8, 2014, and at the election a majority of the qualified electors of the District voting on that proposition voted in favor thereof; and

WHEREAS, the City and the District have executed a cooperation agreement regarding the application of revenues derived from the Educational Sales Tax; and

WHEREAS, pursuant to the provisions of the Act and the special question election, the Governing Body deems it necessary and advisable to authorize the levy of the Educational Sales Tax for the purposes described above; and

WHEREAS, the Educational Sales tax will constitute a sales tax imposed for general purposes, as said term is described in K.S.A. 12-189, as amended.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF LIBERAL, KANSAS:

SECTION 1. Levy of Sales Tax. The levy of the Educational Sales Tax and the application of the revenue received therefrom to assist in the repayment of the District Bonds and to provide for the payment of certain City infrastructure improvements in order to facilitate the use of the District Projects are hereby authorized. In accordance with K.S.A. 12-191, the collection of the Educational Sales Tax shall commence on July 1, 2014, or as soon thereafter as permitted by law, and terminate upon the earlier of twenty-five (25) years after its commencement or when all costs associated with the District Projects, including the repayment of the District Bonds issued to finance or refinance such costs, shall have been paid.

SECTION 2. Certification to Director of Taxation. The Clerk, upon passage of this Ordinance, shall provide a certified copy of the same to the State Director of Taxation pursuant to the Act and request the implementation of the Educational Sales Tax in accordance with the provisions hereof.

SECTION 3. Effective Date. This Ordinance shall take effect and be of force from and after its passage by the governing body of the City and publication in the official City newspaper.

PASSED by the governing body of the City of Liberal, Kansas, on April 11, 2014, and **SIGNED** by the Mayor.

(SEAL)

ATTEST:

Mayor

Clerk